

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company PHOENIX HYDROCARBONS OPER	Contact CHRIS MITCHELL
Address P O BOX 3638, MIDLAND, TX 79702	Telephone No. 432-686-9869
Facility Name LJU PIPELINE 100 YARDS FROM LJU #48	Facility Type PROD WATER PIPELINE

Surface Owner WOOLWORTH EST	Mineral Owner FEDERAL LEAS	Lease No. LC055546
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	5	25S	37E	1980'	NORTH	660'	WEST	LEA CO NM

Latitude 32°9'43"N Longitude 103°11'33"W

NATURE OF RELEASE

Type of Release 20 BBLs PROD WTR	Volume of Release 20 BBLs	Volume Recovered 0
Source of Release HOLE IN PIPELINE	Date and Hour of Occurrence 5/26	Date and Hour of Discovery 4:30PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? SYLVIA DICKEY	
By Whom? CHRIS MITCHELL	Date and Hour 5/26/06 4:30 PM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

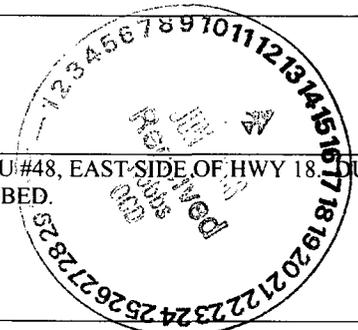
If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* IEAK IN PIPLINE, 100 YARDS FROM LJU #48, EAST SIDE OF HWY 18. DUG OUT LINE AND REPAIRED. NO REMEDIAL ACTION THE WTR WAS ABSORBED INTO THE ROCK BED.

Describe Area Affected and Cleanup Action Taken.* THE AFFECTED AREA IS THE SHOULDER OF HIGHWAY 18, NO CLEANUP ACTION WAS TAKEN, NONE REQUIRED, THE WATER WAS ABSORBED IN THE ROCK BED.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION	
Signature: <i>Phyllis R Gunter</i>	Approved by District Supervisor: <i>Paul Stealy</i>
Printed Name: PHYLLIS R GUNTER	Approval Date: 6-15-06 Expiration Date: <i>6-15-06</i>
Title: AGENT	Conditions of Approval: ENVIRONMENTAL ENGINEER Attached <input type="checkbox"/>
E-mail Address: PHYGUN@AOL.COM	
Date: 6/12/06 Phone: 432-686-9869	



* Attach Additional Sheets If Necessary
facility - PPAC 0616637004
incident - PPAC 0616637111
application - PPAC 0616637275

delineate spill per guidelines w/CI-
RPT# 926